



Governor
ERNIE FLETCHER

**KENTUCKY WORKERS' COMPENSATION
FUNDING COMMISSION**

42 Millcreek Park
P.O. Box 1128
Frankfort, Kentucky 40602-1128

Executive Director
JON ERIC NIELSEN

IMPORTANT NOTICE

To: All Entities Engaged in the Severance of Coal

Date: March 10, 2006

Re: Severed Coal 1st Quarter Assessment Report – for Quarter Ending March 31, 2006
Kentucky Coal Workers' Pneumoconiosis Assessment

Due Date: April 30, 2006

Enclosed is a Quarterly Assessment Report for the 1st Quarter 2006. The completed form, any payment due, and a copy of your Coal Tax Return (form No. 55A100-D) for the months of January, February, and March of 2006, **must be received by the Kentucky Workers' Compensation Funding Commission, or postmarked by the United States Postal Service, by April 30, 2006.** Please note that a company's postage meter with date is **not** considered an acceptable form of USPS postmark.

The 2006 Kentucky Coal Workers' Pneumoconiosis Fund assessment rate **is ¼ cent per ton (\$0.0025)** upon the total amount of tons severed on or after January 1, 2006 through December 31, 2006, by every entity engaged in the severance of coal as required pursuant to KRS Chapter 143.

Please note: Fields requesting information regarding Workers' Compensation Coverage status have been added to the Quarterly Assessment Report. This information is required in order to insure proper credit.

Each reporting entity must submit a separate check per individual quarterly filing. In addition, copies of the applicable months Coal Tax Returns are required with the completed Quarterly Assessment Report – Severed Coal form and any payment due. There is now a field to for the Contact Person's Email Address, below the Contact Person's phone number.

Please note that we now have an operational Web Site where you can download Quarterly Premium Report Notices and Forms. It can be reached at: www.kwcfc.ky.gov If you have any questions regarding this report, please call (502) 573-3505 and ask for Renee Campbell at extension 235. She can also be reached at Renee.Campbell@ky.gov.

Jon E. Nielsen
Executive Director

Enclosure: Quarterly Assessment Report – 1st Quarter 2006

PHONE: (502) 573-3505
FAX: (502) 573-4023

www.kwcfc.ky.gov

KENTUCKY WORKERS' COMPENSATION SEVERED COAL QUARTERLY ASSESSMENT REPORT (KRS 342.122)

Name of Company		Report for 1st Quarter 2006	
Address (Number, Street, Post Office Box) <input type="checkbox"/> New Address		* Federal Employer's ID	Coal Tax Account No.
City State Zip Code		Contact Person (Person Preparing Report) Name: Title: Phone Number : () - Email Address:	

Please Check One of the Choices Below:

* Workers' Compensation Coverage provided by: ☐ Self Insured or ☐ Insurance Company

* Mandatory Field for Proper Credit

* Insurance Company Name: _____

Please complete report in accordance with instructions on reverse side. Report, payment, and copies of the Coal Tax Returns must be received in the office of the Funding Commission, or postmarked by the **United States Postal Service** no later than 30 days following the end of the calendar quarter reporting period. Related companies – A separate Severed Coal Assessment Report and check must be submitted for each company that has its own individual Coal Tax Account Number. Make check payable to and mail report and check to:

Kentucky Workers' Compensation Funding Commission
#42 Millcreek Park, P.O. Box 1128, Frankfort, Kentucky 40602-1128

KENTUCKY COAL WORKERS' PNEUMOCONIOSIS FUND ASSESSMENT		
Enter Total Number of Tons Severed during Calendar Quarter Reporting Period (See Instructions Below)		
(1) Tons Severed in <u>January 2006</u>	(1)	
(2) Tons Severed in <u>February 2006</u>	(2)	
(3) Tons Severed in <u>March 2006</u>	(3)	
(4) Total Tons Severed during Quarter Reporting Period <i>[Add Lines (1) through (3)]</i>	(4)	
(5) Coal Workers' Pneumoconiosis Assessment Rate (1/4¢ per ton)	(5)	X .0025
(6) Quarterly Coal Workers' Pneumoconiosis Assessment Due <i>[Multiply Line (4) by Line (5)] (See Payment Info Below)</i>	(6)	

IMPORTANT PAYMENT INFORMATION: In order to properly credit your account, each reporting entity **MUST** submit a separate check per individual quarterly filing equal to the amount computed on line 6 above.

The undersigned certifies that this return has been examined and is, to the best of the undersigned's knowledge and belief, a true, correct and complete report made in good faith.

President or Other Authorized Representative

Title

Date

Definitions and Instructions for Severed Coal Quarterly Assessment Report

Division of the Kentucky Coal Workers' Pneumoconiosis Fund - Liability for and manner of making payments for awards for Coal Workers' Pneumoconiosis - Assessments to Finance Fund

KRS 342.1242

- (4) (b) In addition to the assessment imposed in paragraph (a) of this subsection, an additional Kentucky Coal Workers' Pneumoconiosis Fund Assessment at the rate of two and one-half cents (\$.025) per ton is hereby imposed upon the total annual amount of tons of coal severed on or after January 1, 1997, through December 31, 1997, by every entity engaged in the severance of coal as required pursuant to KRS Chapter 143. (Note: For CYE 1998 the assessment rate was set at one cent (\$.005) per ton.)
- (c) As of September 1, 1997, and each year thereafter, the Funding Commission shall determine the assets of the Fund and the claim and administrative expense liability incurred by the Fund for all previous years and shall establish the rates under the provisions of paragraphs (a) and (b) of this subsection necessary as of January 1 of the next year to fully fund and prefund all claim liabilities and administrative expenses through December 31 of the next year of operations. The assessment rate authorized by this section for premiums received and tons of coal severed shall be set so as to receive fifty percent (50%) of the needed revenue from each assessment. Notice of any rate changes shall be provided no later than December 1 of the year preceding the rate change.
- (5) All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to a separate account within the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission. In addition, the powers and responsibilities of the Kentucky Workers' Compensation Funding Commission including its fiduciary duties and responsibilities relating to assessments collected for the special fund pursuant to KRS 342.122, 342.1222, 342.1223, 342.1226, 342.1229, and 342.1231 shall apply to assessments collected for the Kentucky Coal Workers' Pneumoconiosis Fund created pursuant to this section. Each entity subject to assessments for the Kentucky Coal Workers' Pneumoconiosis Fund shall provide any and all information requested by the Kentucky Workers' Compensation Funding Commission necessary to carry out its powers and responsibilities relating thereto.
- (6) These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received or the coal is processed or severed. Receipt shall be considered timely through actual physical receipt or by postmark by the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments. Penalty and interest imposed pursuant to KRS 342.1221 and the authority of the Kentucky Workers' Compensation Funding Commission to waive part or all of the penalty shall apply to assessments for the Kentucky Coal Workers' Pneumoconiosis Fund in the same manner and amount as they are imposed on assessments for the Special Fund under KRS 342.122.

KRS 143.010

- (3) "Severed", "Severing", or "Severance" means the physical removal of coal from the earth.
- (4) "Ton" means a short ton of 2,000 pounds. The number of tons shall be determined at the first point at which the coal is weighed.

Copies of the related Coal Tax Returns (Revenue Cabinet form # 55A100-D) must be included with the Funding Commission's Quarterly Report - Severed Coal.

Penalty and Interest:

Penalty and interest shall be applied to quarterly payments not received in the office of the Funding Commission or postmarked by the United States Postal Service by the 30th day of the month following the end of the calendar quarter. Interest shall be applied at the rate of 7% per annum for 2006, calculated on the number of days past due. A penalty of 1.5% per month shall be charged for any portion of any month that payment is past due without proration.